

AN ACT in relation to State employees.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The State Employees Group Insurance Act of
1971 is amended by changing Section 6 as follows:

(5 ILCS 375/6) (from Ch. 127, par. 526)

Sec. 6. Program of health benefits.

(a) The program of health benefits shall provide for protection against the financial costs of health care expenses incurred in and out of hospital including basic hospital-surgical-medical coverages. The program may include, but shall not be limited to, such supplemental coverages as out-patient diagnostic X-ray and laboratory expenses, prescription drugs, dental services, hearing evaluations, hearing aids, the dispensing and fitting of hearing aids, and similar group benefits as are now or may become available. However, nothing in this Act shall be construed to permit, on or after July 1, 1980, the non-contributory portion of any such program to include the expenses of obtaining an abortion, induced miscarriage or induced premature birth unless, in the opinion of a physician, such procedures are necessary for the preservation of the life of the woman seeking such treatment, or except an induced premature birth intended to produce a live viable child and such procedure is necessary for the health of the mother or the unborn child. The program may also include coverage for those who rely on treatment by prayer or spiritual means alone for healing in accordance with the tenets and practice of a recognized religious denomination.

The program of health benefits shall be designed by the Director (1) to provide a reasonable relationship between the

benefits to be included and the expected distribution of expenses of each such type to be incurred by the covered members and dependents, (2) to specify, as covered benefits and as optional benefits, the medical services of practitioners in all categories licensed under the Medical Practice Act of 1987, (3) to include reasonable controls, which may include deductible and co-insurance provisions, applicable to some or all of the benefits, or a coordination of benefits provision, to prevent or minimize unnecessary utilization of the various hospital, surgical and medical expenses to be provided and to provide reasonable assurance of stability of the program, and (4) to provide benefits to the extent possible to members throughout the State, wherever located, on an equitable basis. Notwithstanding any other provision of this Section or Act, for all members or dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, the Department shall reduce benefits which would otherwise be paid by Medicare, by the amount of benefits for which the member or dependents are eligible under Medicare, except that such reduction in benefits shall apply only to those members or dependents who (1) first become eligible for such medicare coverage on or after the effective date of this amendatory Act of 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for but no longer receive Medicare coverage which they had been receiving on or after the effective date of this amendatory Act of 1992.

Notwithstanding any other provisions of this Act, where a covered member or dependents are eligible for benefits under the federal Medicare health insurance program (Title XVIII of the Social Security Act as added by Public Law 89-97, 89th

Congress), benefits paid under the State of Illinois program or plan will be reduced by the amount of benefits paid by Medicare. For members or dependents who are eligible for benefits under Social Security or the Railroad Retirement system or who had sufficient Medicare-covered government employment, benefits shall be reduced by the amount for which the member or dependent is eligible under Medicare, except that such reduction in benefits shall apply only to those members or dependents who (1) first become eligible for such Medicare coverage on or after the effective date of this amendatory Act of 1992; or (2) are Medicare-eligible members or dependents of a local government unit which began participation in the program on or after July 1, 1992; or (3) remain eligible for, but no longer receive Medicare coverage which they had been receiving on or after the effective date of this amendatory Act of 1992. Premiums may be adjusted, where applicable, to an amount deemed by the Director to be reasonably consistent with any reduction of benefits.

(b) A member, not otherwise covered by this Act, who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code, shall pay the premiums for coverage, not exceeding the amount paid by the State for the non-contributory coverage for other members, under the group health benefits program under this Act. The Director shall determine the premiums to be paid by a member under this subsection (b).

(Source: P.A. 91-390, eff. 7-30-99.)

Section 99. Effective date. This Act takes effect on July 1, 2003.